

UNITED STATES BANKRUPTCY COURT  
FOR THE  
DISTRICT OF NEW HAMPSHIRE

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In re:

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**Trikeen**an Tileworks  
Inc.

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Chapter 11

Case No. 10-13725-JMD

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Debtor

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**EMERGENCY APPLICATION OF THE DEBTOR  
FOR AUTHORITY TO USE CASH COLLATERAL**

NOW COMES **Trikeen**an Tileworks Inc., debtor and debtor-in-possession (“Debtor”), through counsel, pursuant to 11 U.S.C. Section 363, Bankruptcy Rule 4001(b) and Local Rule 36, and requests an Emergency Order authorizing the use of cash collateral for approximately thirty (30) days, or through September 25, 2010. In support of this motion, Debtor states as follows:

1. On August 30, 2010, Debtor filed a Chapter 11 petition with this Court. Debtor. The two affiliates of the debtor, Trikeen

2. Pursuant to 28 U.S.C. Sections 157 and 1334, this Court has jurisdiction over this matter, and it is a core proceeding. Venue is proper pursuant to 28 U.S.C.

sections 1408 and 1409.

3. Debtor manufactures and sells tiles for use in building and interior design. The New Hampshire operation has focused on artisan and specialty tiles while the New York operation has historically manufactured higher volume, more industrial grade tile known as “field tile.” Unfortunately for the Debtor, the New York facility began operations in mid- 2008, just after a major investment in state of the art equipment and just before a devastating downturn in the economy. The resulting weakness in the building industry limited the debtor’s cash flow and hampered its ability to grow. The New York facility faces high equipment loan and rent expenses, and it also operates twenty- four hours a day resulting in high utility costs. By early 2010, Debtor was in arrears on both equipment loans and rent for the New York facility. Adverse legal action by the New York landlord forced the Debtor and its affiliates to seek Chapter 11 relief.

4. In addition to its manufacturing, the New Hampshire debtor handles all the marketing and sales, collects all accounts receivable and pays most expenses for both Trikeen NH and Trikeen NY. Other than local payroll and petty cash, all operating expenses for the New York operation are paid by the Debtor.

5. As of the Petition date, TD Bank is the only creditor with an interest in cash collateral. Debtor owes TD Bank \$137,240 arising from a line of credit loan, secured by cash collateral, and approximately \$80,055 arising from an equipment loan. On the Petition date, cash collateral consisted of \$132, 498 in cash accounts, plus about \$217 held by Trikeen Tileworks of NY, and \$95,380 in outstanding accounts receivable. Inventory levels stand at \$122,536 for the New Hampshire facility and

\$306,053 for the New York facility.

6. Over the next thirty (30) days, debtor anticipates the collection of \$92,289 in accounts receivable, the application of certain customer deposits, plus additional deposits totaling \$12,638. Debtor projects cash receipts totaling \$238,000 for the month of August. Current orders in production total \$470,429, and the Debtor currently holds \$182,118 in customer deposits. For the first two quarters of 2010, revenues totaled \$889,900, \$395,625 for the first quarter and \$494,285 for the second quarter.

7. On the basis of monthly cash flow projections prepared by the Debtor, Debtor will need the use of at least \$177, 858.32 over the next thirty (30) days to meet necessary operating expenses. Attached hereto and incorporated by reference herein as Exhibit A is the Affidavit of Kristin Powers, President, indicating anticipated monthly cash flow and cash needs through September 25, 2010.

8. Without the use of cash collateral, Debtor will be unable to satisfy necessary insurance, utility, payroll, adequate protection, tax and other necessary operating expenses and will be unable to preserve the value of the Debtor's operation. To provide adequate protection of the security interest of TD Bank in cash collateral and to protect the interest of other creditors, Debtor needs to use the above-described cash collateral. Debtor requests the authorization to use up to \$177,858.32 in cash collateral from operations through September 25, 2010.

9. TD Bank holds the only lien on cash collateral. Debtor has advised TD Bank of the Chapter 11 filing. Debtor will attempt to negotiate a satisfactory cash collateral stipulation with TD Bank on or before September 25, 2010.

10. As adequate protection, Debtor proposes to grant TD Bank a replacement lien in cash collateral arising post-petition to the same extent and in the same priority as such lien existed on August 30, 2010. Debtor will also provide reasonable financial reporting to TD Bank.

11. The above liens will be granted by the Debtor without prejudice to the future rights of the Debtor, creditors and any creditors committee or other party in interest to challenge the validity, priority and enforceability of any such lien. This post-petition lien will also be subject to Debtor's future right to seek debtor-in-possession of financing pursuant to 11 U.S.C. §364.

**WHEREFORE**, Debtor respectfully requests:

- A. That this Court enter an order authorizing the Debtor to use up to a \$177,858.32 in cash collateral, in accordance with Debtor's cash flow projections, through the close of business on September 30, 2010, subject to the terms and conditions of this application;
- B. Such other and further relief as is just.

Respectfully submitted,

Trikeen Tileworks Inc.

By its Attorneys,

BERNSTEIN, SHUR, SAWYER &  
NELSON, P.A.

Date: 31 August 2010

By: /s/Jennifer Rood

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing has been mailed, first class, postage prepaid to the following parties:

TD Bank  
15 Monument Square  
Leominster, MA 01453

Via ECF

Office of the U.S. Trustee  
[USTPRegion01.MR.ECF@usdoj.gov](mailto:USTPRegion01.MR.ECF@usdoj.gov)

Jennifer Rood on behalf of Debtor Trikeen Tileworks Inc.  
[jrood@bernsteinshur.com](mailto:jrood@bernsteinshur.com), [mamurphy@bernsteinshur.com](mailto:mamurphy@bernsteinshur.com)

Date: 31 August 2010

By: /s/Jennifer Rood  
Jennifer Rood

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